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PATENT APPLICATION

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UNITED STATES PATENT AND TRADEMARK OFFICE

Inventor(s): Kay Yut Chen et al.

Confirmation No.: 3054

Application No.: 09/858,251

Examiner: Siegfried Chencinski

Filing Date: 05-15-2001

Group Art Unit: 3891

Title: An Automated Decision Support System for Designing Auctions

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Commissioner For Patents
PO Box 1450
Alexandria, VA 22313-1450TRANSMITTAL OF REPLY BRIEFTransmitted herewith is the Reply Brief with respect to the Examiner's Answer mailed on 04-02-2008.

This Reply Brief is being filed pursuant to 37 CFR 1.193(b) within two months of the date of the Examiner's Answer.

(Note: Extensions of time are not allowed under 37 CFR 1.136(a))

(Note: Failure to file a Reply Brief will result in dismissal of the Appeal as to the claims made subject to an expressly stated new ground rejection.)

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Respectfully submitted,

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicants:	Kay Yut Chen et al.	§	Art Unit:	3691
		§		
Serial No.:	09/858,251	§		
		§	Examiner:	Siegfried E. Chencinski
Filed:	May 15, 2001	§		
		§		
For:	An Automated Decision	§	Atty. Dkt. No.:	10014416-1
	Support System for Designing	§		(HPC.0331US)
	Auctions	§		

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REPLY BRIEF

Sir:

The following sets forth Appellant's Reply to the Examiner's Answer dated April 2, 2008.

I. REPLY TO EXAMINER'S ANSWER DISCUSSING OF THE LAW

In response to Appellant's Appeal Brief arguments, the Examiner cited a BPAI case that quoted from *KSR International Co. v. Teleflex, Inc.*, 127 S. Ct. 1727, 82 U.S.P.Q.2d 1385 (2007). 4/2/2008 Examiner's Answer at 18. However, *KSR* supports, rather than refutes, Appellant's arguments regarding various errors made in the final rejection that were pointed out in the Appeal Brief. Moreover, the Examiner erroneously cited to M.P.E.P. § 2112 and § 2113 as purportedly supporting the final rejection. *Id.* at 20-21. M.P.E.P. § 2112 refers to the burden of proof pertaining to rejections based on inherency, which is **not** the issue that is present in this case. Moreover, M.P.E.P. § 2113, as quoted in the Examiner's Answer, relates to the "lesser

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burden of proof" in making out a case of *prima facie* obviousness for "product-by-process claims because of their peculiar nature." The present claims are not "product-by-process" claims, and therefore, the citation of M.P.E.P. § 2113 made in the Examiner's Answer is completely unrelated to the claimed invention.

The proper obviousness analysis is as follows. To make a determination under 35 U.S.C. § 103, several basic factual inquiries must be performed, including determining the scope and content of the prior art, and ascertaining the differences between the prior art and the claims at issue. *Graham v. John Deere Co.*, 383 U.S. 1, 17, 148 U.S.P.Q. 459 (1965). Moreover, as the U.S. Supreme Court held, it is important to identify a reason that would have prompted a person of ordinary skill in the art to combine reference teachings in the manner that the claimed invention does. *KSR International Co. v. Teleflex, Inc.*, 127 S. Ct. 1727, 1741, 82 U.S.P.Q.2d 1385 (2007).

As explained extensively in the Appeal Brief, there were numerous points of errors made in the final Office Action, which were specifically and expressly pointed out by Appellant in detail. In the Examiner's Answer, the Examiner argued that Appellant's arguments:

fail to meet the standards of the KSR and the BPAI decision cited above, and the guidelines for motivation traversal by denying the validity of explicit and implicit teachings and by ignoring the examiner's clearly presented rationale regarding why certain aspects not explicitly taught by the cited references would have been known and/or have been found obvious by the ordinary practitioner at the time of Appellant's invention without providing evidence combined with credible rationale as required by the traversal standards required by he [sic] MPEP as guided by court opinions, instead making a number of unsupported bald arguments.

Id. at 22-23.

This characterization of Appellant's arguments is inconsistent with the detailed analysis provided by Appellant in the Appeal Brief. Appellant provided a point-by-point discussion of

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the various errors made in the final rejection of the claims. The identified errors were made based on the specific evidence cited by the Examiner, namely Lupien and Phillips. Appellant provided a detailed explanation regarding why Lupien and Phillips would not have rendered obvious the claimed subject matter, in view of the errors made in the rejection. Therefore, calling Appellant's arguments "unsupported bald arguments" is an inaccurate characterization of the Appeal Brief.

II. REPLY TO EXAMINER'S ANSWER, SECTIONS (bb) and (b), ON PAGES 23-24

On page 23 of the Examiner's Answer, the Examiner made the following argument:

Put most simplistically, anyone who participates in the auction process involved in securities markets is engaging in the predicting of bidding behavior. If one is buying or selling a security (e.g. not selling for reasons of necessity but strictly because one wants to position a securities portfolio for future profit maximization), one is predicting in some manner that the bidders in the future will collectively bid the security up or down (depending whether one is choosing a "long" (buying by the majority, and by almost all amateur investors) or "short" strategy (mostly by professionals), or that they will provide tepid support for the increase in its value, or that the support the security gets will be less than other alternatives satisfactory to the decision maker. The prediction may be based on a whim, or on an elaborate analysis. It is never the less an application of prediction of bidding behavior by other "bidders" on the same security, a commodity in every sense of the word based on some kind of model. Thus both Lupien and Phillips necessarily suggest the predicting of bidding behaviors.

Id. at 23.

However, this simplistic analysis does not address the claimed subject matter, which recites a bidding behavior predictor that predicts bidding behaviors of bidders in the auction based on the estimated unknown elements of market structures and characteristics of the auction, where the estimated unknown elements are based on auction characteristics data extracted from historical auctions for similar items in a bidding model matching the extracted auction characteristics data.

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The simplistic analysis provided on page 23 of the Examiner's Answer simply is irrelevant to the subject matter of claim 1. More specifically, it is respectfully submitted that the obviousness rejection of claim 1 is in error, in view of the numerous errors that are present in the final rejection as detailed in the final rejection. Therefore, even if Lupien and Phillips were to be hypothetically combined, their hypothetical combination would not have led to the claimed subject matter, under the analysis performed under *Graham*.

Moreover, no reason existed that would have prompted a person of ordinary skill in the art to combine the teachings of Lupien and Phillips. See *KSR*, 127 S. Ct. at 1741, 82 U.S.P.Q.2d 1385 (2007). Lupien describes an automated securities trading and portfolio management system for use by investment managers, which system selects and executes trades based on analysis of transactions and the imposition of controls. Lupien, 4:61-64. On the other hand, Phillips describes use of a forecasting *contest* in which participants are encouraged to make the most accurate predictions possible regarding predicted values for stock or commodity prices. The contest system, as taught by Phillips, in which contestants are encouraged to provide their best estimates for stock or commodity prices, has nothing to do with the automated trading and portfolio management system of Lupien. A person of ordinary skill in the art clearly would not have been prompted, under the *KSR* analysis, to incorporate the teachings of Phillips into Lupien. In fact, incorporating the teachings of Phillips into Lupien would render the system of Lupien **inoperative for its intended purpose**. The automated securities trading and portfolio management system of Lupien estimates various factors based on real time monitoring of trades, price and size quotations, and portfolio characteristics. Lupien, 3:7-9. If the contest technique of Phillips were to be incorporated into Lupien, then Lupien would be making its trading and management decisions based on what contestants believe stock prices should be, not on real time

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monitoring of trades and price quotations. This clearly would render Lupien inoperative for its intended purpose.


In view of the foregoing, it is clear that the obviousness rejection of the claimed subject matter is defective.

III. CONCLUSION

In view of the foregoing remarks, and in view of the arguments presented in the Appeal Brief, reversal of all final rejections is respectfully requested.

Respectfully submitted,

Date: June 2, 2008



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